

Rutherfordton Area General Dentistry
MERGER FINANCIAL SUMMARY FOR PRACTICE 8717 10/9/2015 12:29

The following summary illustrates a projected year's income and expenses for the subject practice which incorporates an increase in fees and overhead expense but no increase in production. Although all variable expenses are included, fixed expenses that will not be duplicated are not included. This summary is not a representation or warranty of future practice performance. Purchasers should obtain legal and accounting counsel prior to any purchase decision. **NOTE: Practice price does not include accounts receivable.**

PRACTICE INCOME				
EXPECTED GROSS COLLECTION INCREASE			\$712,386	100.0%
	HYGIENE COMPONENT		\$163,849	23.0%
	DENTIST COMPONENT		\$548,538	77.0%
	RETAINED SELLER			
	ASSOCIATE			
	PURCHASER		\$548,538	77.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$172,004	24.1%
	LABORATORY		\$14,695	2.1%
	CLINICAL SUPPLIES		\$36,261	5.1%
	OTHER VARIABLE EXPENSE		\$63,971	9.0%
TOTAL VARIABLE EXPENSE INCREASE			\$286,931	40.3%
FIXED EXPENSE INCREASE				
	RENT			
	PHONE, UTILITIES		\$3,000	0.4%
	LEGAL & ACCOUNTING		\$3,500	0.5%
	INSURANCE		\$1,500	0.2%
	OTHER FIXED EXPENSE		\$7,977	1.1%
TOTAL FIXED EXPENSE INCREASE			\$15,977	2.2%
DEBT SERVICE INCREASE - EXCLUSIVE OF ANY REAL ESTATE MORTGAGE WHICH IS INCLUDED IN FIXED EXPENSES				
	INTEREST		\$18,544	2.6%
	PRINCIPAL		\$59,019	8.3%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$77,563	10.9%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$712,386	100.0%
EXPECTED INCREASED EXPENSES			\$302,908	42.5%
EXPECTED INCREASED DEBT SERVICE			\$77,563	10.9%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$331,915	60.5%
PURCHASER PRODUCED PRODUCTION			\$548,538	77.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$59,019	10.8%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$21,481	3.9%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$412,415	75.2%
FIRST YEAR RETURN ON INVESTMENT			\$237,971	55.3%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
PRACTICE SALES PRICE & PERCENT OF GROSS			\$430,000	62%
WORKING CAPITAL			\$35,000	
TOTAL LOAN			\$465,000	
LOAN INTEREST RATE			4.50%	
LOAN TERM IN MONTHS			84	
TOTAL MONTHLY PAYMENT			\$6,464	11%
ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT			\$8,192	14%

Rutherfordton Area**DATA SUMMARY FOR PRACTICE NUMBER 8717**

The following data is provided by the owner of the practice. It is believed to the best of the owner's knowledge to be a true and accurate representation of the facts of the practice. It is the responsibility of any purchaser to verify all information contained herein and to seek qualified counsel in the interpretation and verification thereof.

OFFICE DATA

SQUARE FOOTAGE OF OFFICE	1,320
EXPANDABLE FOOTAGE	No
CURRENT MONTHLY RENTAL i.e. "1200"	
PRICE PER SQUARE FOOT	
IS OFFICE HANDICAPPED ACCESSIBLE?	Ramp in rear
NUMBER OF PARKING SPACES	20
PROXIMITY OF PARKING PLACES	Office Lot
TOTAL NUMBER OF EQUIPPED OPERATORIES	3
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S)	2
NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)	1
NUMBER OF UNPLUMBED AND EMPTY OPERATORIES	
DO YOU OWN YOUR BUILDING?	Yes
DO YOU WISH TO SELL THE BUILDING?	Yes
WAS BUILDING APPRAISED?	
WHEN?	
APPRAISED PRICE	\$164,000
IF NOT APPRAISED, ESTIMATED BUILDING PRICE	
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$2,000
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
DATE OF LEASE i.e. "1/1/99"	
DATE LEASE ENDS - i.e. "1/1/04"	
RENEWAL OPTIONS	
IS THERE AN OPTION TO PURCHASE?	
BUILDING VALUE TO BE USED	\$164,000
PURCHASER MORTGAGE INTEREST RATE	5.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	\$1,297
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$11.79

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Retire
DAYS/WEEK CURRENTLY WORKED	3.5
HOW MANY DAYS WOULD YOU PREFER TO WORK FOR BUYER	
DESIRED WORK DAYS/WEEK 1ST YR	
DESIRED WORK DAYS/WEEK 2ND YR	
DESIRED WORK DAYS/WEEK 3RD YR	
DESIRED WORK DAYS/WEEK 4TH YR	
DESIRED WORK DAYS/WEEK 5TH YR	
DESIRED WORK DAYS/WEEK 6TH YR	

PRACTICE DATA	
MANAGEMENT CONSULTANT IN LAST 5 YRS? IF SO WHO?	No
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	
WHAT TYPE RECALL SYSTEM	
WHAT TYPE COMPUTER SYSTEM	PracticeWorks
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,947
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	34
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	10
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	10
HOW FAR AHEAD IS DENTIST SCHEDULED?	
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	
PRACTICE DATA	
% INCOME FROM CASH	24%
% OF PATIENTS PAYING CASH	24%
% INCOME FROM FEE FOR SERVICE INSURANCE	35%
% OF PATIENTS WITH FEE FOR SERVICE INSURANCE	35%
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
% PRACTICE INCOME FROM CAPTITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	#REF!
% OF PATIENTS WITH MEDICAID	#REF!
% PRACTICE INCOME FROM REDUCED FEE PLANS	41%
% OF PATIENTS WITH REDUCED FEE PLANS	41%
SCHEDULING DATA	
MONDAY	8:30 AM - 12:30 PM/1:30 PM - 5:00 PM
TUESDAY	8:30 AM - 12:30 PM/1:30 PM - 5:00 PM
WEDNESDAY	8:30 AM - 12:30 PM/1:30 PM - 5:00 PM
THURSDAY	8:30 AM - 12:30 PM
FRIDAY	
SATURDAY	
SUNDAY	
OWNER HOURS WORKED PER WEEK	33
ASSOCIATE HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	180
NUMBER OF WEEKS WORKED PER YEAR	47
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$123,861
WHAT IS YOUR PATIENT CREDIT BALANCE	
ACCOUNTS RECEIVABLES - CURRENT	
ACCOUNTS RECEIVABLES - 31-60 DAYS	
ACCOUNTS RECEIVABLE - 61-90 DAYS	
ACCOUNTS RECEIVABLE >90 DAYS	

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	23%
OPERATIVE	40%
PEDODONTICS	
ORTHODONTICS	
IMPLANTS	
REMOVABLE PROSTHETICS	5%
FIXED PROSTHETICS	1%
ENDODONTICS	
PERIODONTICS	5%
ORAL SURGERY	3%
COSMETIC	
TMJ TREATMENT	
SOFT TISSUE MANAGEMENT	
DIAGNOSTIC	23%
TOTAL	100%
WHAT SERVICES ARE REFERRED OUT?	
REVENUES SOURCES	
IS ANY OF YOUR REPORTED INCOME FROM ANY OTHER SOURCE THAN PATIENT TREATMENT FROM THIS PRACTICE?	No
IF SO HOW MUCH IN CURRENT PERIOD?	
IF SO , HOW MUCH FOR LAST YEAR?	
IF SO HOW MUCH FOR THE PREVIOUS YEAR?	
WHAT IS THE SOURCE OF THIS OTHER INCOME?	
FEE SCHEDULE	
ADULT PROPHY 01110	\$91
TWO SURFACE ANTERIOR COMPOSITE 02331	
CORE BUILD-UP 02950	\$216
CROWN - GOLD/PORCELAIN 02750	\$869
ANTERIOR CANAL ROOT CANAL 03310	\$670
PANORAMIC X-RAY 00330	
TWO SURFACE POSTERIOR COMPOSITE 02392	\$158
CROWN - PORCELAIN CERAMIC 02740	\$869
LABIAL PORCELAIN VENEER 02962	\$889
BICUSPID ROOT CANAL 03320	\$790
AVERAGE OF FEES	\$569
PERCENT OF FEE PARITY	80%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	nine
MAJOR EMPLOYERS IN AREA	five miles
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

STAFF DATA				
POSITION	YEAR	STAY?	VALUE OF BENEFITS	ANNUAL SALARY AND/OR COMMISSION PERCENT
RECEPTIONIST				\$28,913
OFFICE MANAGER				
INSURANCE				
OTHER FRONT DESK				\$26,829
BOOKKEEPER				
ASSISTANT				\$22,474
ASSISTANT				
ASSISTANT				
ASSISTANT				
ASSISTANT				
HYGIENIST				\$32,513
HYGIENIST				\$18,999
HYGIENIST				
HYGIENIST				
LAB TECHNICIAN				
LAB TECHNICIAN				
ASSOCIATE				
ASSOCIATE				
ASSOCIATE				
WHAT BENEFITS DO YOU PROVIDE FOR THE STAFF?				
COST OF BENEFITS PROVIDED FOR EACH EMPLOYEE				
DO YOU HIRE ANY UNPAID FAMILY MEMBERS?				No
WHAT POSITION DO THEY HOLD AND WHAT IS THE ESTIMATED FAIR MARKET VALUE OF THEIR JOB?				
ARE THERE ANY EMPLOYEES WHO ARE PAID MORE OR LESS THAN THE NORMAL SALARY FOR THEIR POSITION?				No
WHAT POSITIONS AND WHAT IS AMOUNT OF OVER/UNDER COMPENSATION FOR EACH				
COLLECTION CENTERS				
PERIOD	1/1/2015 -	2014	2013	
GROSS COLLECTIONS	\$	\$	\$	
OWNER COLLECTIONS	\$	\$	\$	
HYGIENIST COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS				
ASSOCIATE SALARY IN DOLLARS OR COMMISSION PERCENT	\$	OR	%	
HYGIENIST SALARY IN DOLLARS OR COMMISSION PERCENT	\$	OR	%	

CONFORMITY DATA	
DOES YOUR PRACTICE MEET OSHA STANDARDS? WHY NOT?	Yes
DOES YOUR PRACTICE MEET HIPAA STANDARDS? WHY NOT?	Yes
ANY DISCIPLINARY ACTION IN LAST 7 YRS? EXPLAIN	No
ANY PRACTICE LAWSUITS FILED IN PAST TEN YRS. EXPLAIN	No
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY	None
INSURANCE EXPLANATION	
TOTAL EXPENSE FOR INSURANCE IN CURRENT PERIOD	
HOW MUCH OF TOTAL IS FOR OWNER HEALTH INSURANCE?	
HOW MUCH OF TOTAL IS FOR STAFF HEALTH INSURANCE?	
HOW MUCH OF TOTAL IS FOR OTHER OWNER BENEFITS?	
HOW MUCH OF TOTAL IS FOR MALPRACTICE INSURANCE?	
HOW MUCH FOR TOTAL IS FOR BUILDING INSURANCE?	
TAXES AND LICENSES EXPLANATION	
TOTAL EXPENSE FOR TAXES	
HOW MUCH OF TOTAL IS FOR PAYROLL TAXES?	
HOW MUCH OF TOTAL IS FOR STAFF PAYROLL TAX?	
HOW MUCH OF TOTAL IS FOR OWNER PAYROLL TAX?	
HOW MUCH OF TOTAL IS AD VALOREM (PRACTICE EQUIP)?	
HOW MUCH OF TOTAL IS FOR REAL ESTATE TAXES?	
PENSION EXPLANATION	
TOTAL EXPENSES FOR PENSION PLAN	
HOW MUCH OF TOTAL IS FOR STAFF	
HOW MUCH OF TOTAL IS FOR OWNER?	
BENEFITS EXPLANATION	
TOTAL EXPENSE FOR EMPLOYEE BENEFITS	
HOW MUCH OF TOTAL IS FOR STAFF?	
HOW MUCH OF TOTAL IS FOR OWNER?	
REDUCED FEE PLANS	
NAME OF PLAN	PAYS WHAT PERCENT OF YOUR STANDARD FEE

DESCRIBE YOUR PRACTICE, STAFF, PATIENTS, COMMUNITY, AND PRACTICE PHILOSOPHY AND THE BEST STRENGTHS AND WORST WEAKNESSES OF YOUR PRACTICE: